

CLERK'S OFFICE U.S. DISTRICT COURT
AT ABINGDON, VA
FILED

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON

FEB 24 2020

JULIA C. DUBLEY, CLERK

BY: *[Signature]*
DEPUTY CLERK

UNITED STATES OF AMERICA

:

: Case No.

1:20CR4

:

v.

:

: Violations: 18 U.S.C. § 1956(h) & 1956(a)(1)(B)(i)

:

JOHN HOWARD BOOTHE, JR.

:

INFORMATION

COUNT ONE

The United States Attorney charges that:

1. From in or about 2013 through 2018, in the Western District of Virginia, JOHN HOWARD BOOTHE, JR. (BOOTHE) knowingly conspired with LP, JC, and others to:

knowing that property involved in a financial transaction represents the proceeds of some form of unlawful activity, conduct such a financial transaction with in fact involves the proceeds of specified unlawful activity (wire fraud in violation of 18 U.S.C. § 1343) knowing that the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity.

2. LP was the Vice President of Surface Mining Operations for Signal Peak Energy (SPE) located Billings, Montana.

3. LP used his position as VP of Surface Mining Operations to defraud SPE of millions of dollars by using various entities over which he exercised control, including entities controlled by co-conspirators. LP and BOOTHE's fraudulent activity included, at least, two different frauds (the East Kentucky Screens Fraud and the C & T Repair Fraud) totaling over \$10 million.

4. The East Kentucky Screens Fraud consisted of LP providing and causing false invoices to be provided to SPE from East Kentucky Screens (EKS), an entity that, on paper, was owned by a relative of LP. SPE paid EKS \$3,272,266.50 based on fraudulent invoices submitted to SPE by EKS. EKS then paid \$2,467,350 to a company called Three Solutions which, on paper, was

owned by another relative of LP. From the criminal proceeds of the EKS scheme, BOOTHE received in excess of \$285,000 through checks from EKS and Three Solutions made payable to an entity he, on paper, owned, but which was controlled by Price called C & A Truck LLC dba C & A Trucking, Inc. The funds received by BOOTHE were deposited into bank accounts located within the Western District of Virginia.

5. The C & T Repair Fraud consisted of LP and another co-conspirator paying JC at C & T Repair 10 – 15% to “run stuff” through his company. JC found a conveyor for LP and invoiced it to SPE at an inflated price. JC sent fake invoices to SPE for mining equipment with no intent that the equipment would be delivered to SPE.

6. LP instructed JC and BOOTHE how to submit false invoices from C & T Repair to SPE. Once the invoices were received by SPE, SPE would then submit payment to C & T Repair for the false invoice amounts. The total paid by SPE to C & T Repair from 2014 – 2015 was \$7,010,764.34. C & A Trucking would then submit false invoices to C & T Repair and C & T Repair paid C & A Trucking \$6,617,011.34 drawn from the funds received from SPE. At the direction of LP, BOOTHE would then use Three Solutions to bill C & A Trucking, using false invoices. Based on the false invoices, C & A Trucking then paid Three Solutions \$6.4 Million. From Three Solutions, \$4.2 was sent to LP and other entities he controlled.

7. In furtherance of the conspiracy, on or about the following dates, the conspirators caused to be made the following monetary transactions with criminally derived funds:

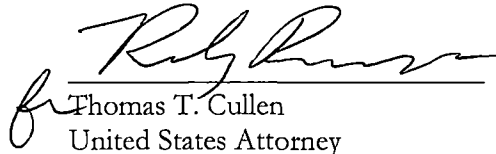
Date	Criminal Proceed Payments to C & T Repair	Criminal Proceed Payments from C & T Repair to C & A Trucking
February 24, 2014	\$ 836,000.00	
April 1, 2014	\$ 1,672,000.00	
April 3, 2014		\$ 2,408,000.00
July 11, 2014	\$ 700,000.00	
July 12, 2014		\$ 700,000.00

Date	Criminal Proceed Payments to C & T Repair	Criminal Proceed Payments from C & T Repair to C & A Trucking
July 12, 2014		\$ 400,000.00
July 14, 2014	\$ 400,000.00	
August 29, 2014	\$ 176,000.00	
August 29, 2014		\$ 126,000.00
January 28, 2015	\$ 230,000.00	
February 3, 2015		\$ 225,000.00
March 13, 2015	\$ 230,000.00	
March 13, 2015		\$ 215,000.00
May 5, 2015	\$ 1,000,000.00	
May 7, 2015		\$ 865,000.00
May 22, 2015	\$ 453,000.00	
May 27, 2015		\$ 388,000.00
December 21, 2015	\$ 270,456.38	
December 21, 2015		\$ 256,693.38
April 26, 2016	\$ 521,653.98	
April 27, 2016		\$ 521,653.98
May 24, 2016	\$ 521,653.98	
May 26, 2016		\$ 511,653.98
TOTAL	\$ 7,010,764.34	\$ 6,617,001.34

8. The moneys received by C & T Repair, as set forth above, were obtained via interstate wire communication.

9. All in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(1)(B)(i).

DATED: February 24, 2020


 Thomas T. Cullen
 United States Attorney